

23 FEB 1955

**SECRET****MEMORANDUM FOR: Deputy Director (Support)****SUBJECT : The Proper Content and Use of Administrative Plans**

1. The Project Administrative Planning Staff was established to implement the provisions of Section 9.4 of the Confidential Funds Regulations. This Section recognizes the need for "prior detailed planning and development of policies and procedures which will insure optimum standards of sound administration compatible with the operational circumstances of each specific project." Neither Section 9.4 nor any other Agency regulation, however, explicitly defines such policies and procedures. Rather, it has been the function of PAPS to develop, by a process of trial and error, administrative standards which would protect the Agency's interest and at the same time not interfere with operational flexibility nor place an undue burden on the operating components of the Agency.

2. Development of administrative standards suitable for application to a wide range of projects has been a slow and difficult process. From one Plan to the next there is frequently no detectable change in general approach even though each Plan must be adapted to the specific administrative needs of its project. Progress in this area is indicated by a comparison of Plans recently approved with those completed two and more years ago.

3. PAPS has consistently and solely relied upon a combination of persuasion and education to secure acceptance by other interested components of items deemed appropriate for inclusion in Plans. Often, the ideas employed in such items did not originate in PAPS itself, but were adopted from suggestions advanced by DD/S staff members, DD/S components, and DD/P elements, including the line divisions. As a result of close coordination, and the positive assistance which PAPS has rendered to many DD/P operating officials in obtaining necessary support from DD/S elements, PAPS has been able to win general acceptance of the planning concept, and to resolve all but a very few differences of opinion without reference to higher authority of the Agency.

4. Plan development in the manner outlined above has worked very well until recently. At the present time, however, the administrative planning concept is being challenged on very fundamental grounds. In essence, the nature of the challenge is that Administrative Plans duplicate many of the matters dealt with in project outlines. This notion of duplication originates with the FP Staff, which some time ago began, by invitation of PAPS, to provide regular representation at Administrative Plan meetings. In general, the position of the FP Staff is supported by the FI Staff, to the extent of their interest.

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5. When PAFS arranged with the PP and FI Staffs for regular attendance at Administrative Plan meetings, it did so with the hope that the senior staffs would make a positive contribution to the planning process through the insight, broad experience, and continuity which they would bring to these sessions. This positive contribution has proven, unfortunately, to be an illusion. From the outset of their regular attendance, it has been apparent that the PP and FI Staffs neither understood nor accepted the function which Administrative Plans were designed to perform. They have systematically questioned the suitability of almost every item which had heretofore been included in Plans as a matter of routine. The sustained attack of the senior staffs upon the planning concept has to some extent operated to reduce the confidence of the line divisions in the efficacy of Administrative Plans. Thus, Plan provisions which have been acceptable to the DD/S and DD/P were thrown from the realm of routine into the area of controversy. This has had two adverse effects. Firstly, it has slowed the processing of Administrative Plans and delayed expeditious funding of operating projects. Secondly, it has caused the operating divisions to question once again many items of substance concerning which determinations had already been made at a higher level. A case in point is the write-off provision based upon the review of both financial and substantive reports by responsible operating officials. Upon its initial appearance in a Plan, this language was objected to by several operating divisions. Their objections were overruled by both the COA/DDP and the DD/A and the language continued in use. As recently as December 1954, exception was again taken to this language by the FI Division, and again the Plan was approved notwithstanding such exception. At the present time, this provision has again been questioned by the PP Staff, and Plans are being delayed pending re-determination.

6. A further situation which may be cited is the recent issue relating to the budget provisions in an Administrative Plan, and the concurrence of the Comptroller in such budget. The Comptroller's concurrence, and the basis upon which it would be given had been discussed with the DD/S. Text to reflect your views had been subsequently developed, implemented in Plans, and accepted by the operating divisions until the PP Staff recently challenged the propriety of including provisions relating to the budget in Administrative Plans, with results of which you are aware.

7. The senior staffs have also challenged the employment of Administrative Plans by DD/S components to restate the most pertinent parts of significant regulations. Specifically, they are now questioning the inclusion in Plans of provisions relating to Security and Personnel on the grounds that (a) these restate regulations, and hence are redundant, and (b) there are Security and Personnel paragraphs in the corresponding project outlines, which obviates the need for treatment of these subjects in a Plan. The Security and Personnel sections were originally introduced into

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into Plans at the request of the DE/S components responsible for these matters, on the grounds that they served to focus the attention of case officers upon significant requirements for project operation in the only mechanism which gathered together in one document all the pertinent guides for administration of a single project. Until questioned recently, inclusion of these items in an Administrative Plan had never been at issue. The DE/S elements concerned have advised us informally that, notwithstanding the objection of the senior staffs, they desire retention of these elements in future Plans.

8. It is apparent that the inclusion in project outlines of sections dealing with such matters as Funding, Accounting, Reporting, Budget, Personnel, and Security lends the coloration of truth to the assertion that project outlines and Administrative Plans duplicate one another. Inasmuch, however, as PAPS utilizes project outlines in Plan preparation, and therefore has examined the content of project outlines, we are in a position to state, without equivocation, that there is only an insignificant amount of duplication in the substance of these documents, in spite of the fact that certain sections of both documents are similarly identified. To the extent that duplication does exist, it arises from the use of the Plan by DE/S elements denied access to project outlines on security grounds.

9. A great deal of time has been devoted by members of this Staff in recent weeks to conferences, discussions, and negotiations relative to the general position and particular objections of the senior staffs. Substantially all of this time was related to matters already decided by the DE/S and DE/P. There has been a corresponding diminution in the output of Administrative Plans during this most recent period. The situation has now become so acute that almost every proposed Plan, even if it embodies no new concepts and sets only minimal standards of administration, faces express or implied dissent of a senior staff. If Administrative Plans are to be prepared in a manner which we understand will reflect the views of these staffs, they will, especially for subsidy projects, consist of nothing but a write-off provision. If, on the other hand, Administrative Plans are to insure "optimum standards of sound administration," it is necessary that the function of these Plans in the work of the Agency and the propriety of their present content be received by you at this time.

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Chief

Project Administrative Planning Staff, DE/S

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